CHESTERFIELD LOCAL PLAN EXAMINATION
MATTER 3 – MEETING HOUSING NEED & THE PLAN’S HOUSING REQUIREMENT

Inspector’s issues and questions in bold type.

This Hearing Statement is made for and on behalf of the HBF which should be read in conjunction with our representations to the pre submission Local Plan consultation dated 22nd February 2019. This representation answers specific questions as set out in the Inspector’s Matters, Issues & Questions document dated 9th August 2019.

Issue 1: Whether the plan identifies a sound assessment of housing need and over what period

3.1 Is it justified and consistent with national policy to establish the housing need that the Plan should accommodate through the methodology of Objectively Assessed Need (OAN) as identified through the Strategic Housing Market Assessment (SHMA) for the wider North Derbyshire & Bassetlaw HMA rather than the standardised methodology for local housing need (LHN)?

The Chesterfield Local Plan was submitted for examination after the end of transitional arrangements which ceased 24th January 2019. The examination of the Chesterfield Local Plan will be conducted under the 2019 NPPF and revised NPPG. As set out in the 2019 NPPF the starting point for the determination of the minimum number of homes needed should be informed by a LHN assessment using the Government’s standard methodology unless exceptional circumstances justify an alternative approach (para 60).

3.2 Does PPG paragraph 2a-015-20190220 provide a basis for finding the submitted plan’s housing need sound because the OAN is marginally higher than the latest LHN figure?

The NPPG (ID 2a-015-20190220) refers to the use of a different methodology where data available does not allow use of the standard methodology. For Chesterfield data is available. The latest LHN assessment has been calculated as 240 dwellings per annum based on 2014 SNHP and 2018 affordability ratio of 5.75.

The Council’s previously calculated OAHN of 265 dwellings per annum is marginally higher based on demographic-led housing need and limited support for economic growth. The NPPG (ID 2a-015-20190220) states "where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the
minimum starting point”. Therefore the NPPG provides a basis for finding the approach sound but not necessarily the figure which should be subject to robust testing during the Local Plan Examination.

3.3 If applying the OAN, is the methodology used for defining Chesterfield’s OAN appropriate and does it provide a robust basis for establishing the scale of housing need? In particular, does the SHMA make justified adjustments to the demographic starting point in respect of migration and a part return to household formation rates?

In the North Derbyshire & Bassetlaw OAN Update Final Report dated October 2017 by G L Hearn adjustments for 10 years migration trends and household formation rates in younger age groups (see Tables 14, 19 & 92) to the demographic starting point based on 2014 Sub National Population Projections (SNPP) are justified.

3.4 Is the OAN justified in not making an uplift for economic/jobs growth in light of the aspirations of the LEPs and the potential of HS2 for the area? Does the draft Sheffield City Region (SCR) Statement of Common Ground (SoCG) confirm that the SCR LEPs economic ambitions are likely to be met across the city region?

The exclusion of any significant uplifts to support economic / jobs growth in the OAHN is not justified.

The Draft SCR SoCG dated 25th June 2019 (as yet unsigned) identifies the SCR as a strategic Functional Employment Market Area (FEMA), assesses the role of each authority within the SCR and considers large scale strategic or inward investment growth requirements above and beyond the indigenous needs of any one authority in isolation. Each authority within the SCR plays an important role in the economy and contributes to the economic ambitions of the Strategic Economic Plan (SEP). The current SEP seeks to create 70,000 new jobs and 6,000 new businesses across the SCR between 2015 and 2025 which are apportioned to each authority area by likely economic sectors. Table 5 shows 4,900 jobs as Chesterfield’s share of the 70,000 new jobs and its key sectors are identified as public administration, wholesale / retail, financial & business services and manufacturing. Employment growth in Key Urban Centres and Major Growth Areas are set out in Figure 3 including A61 Corridor in Chesterfield.

Under the Draft SoCG the SCR authorities have agreed to :-

- create the conditions in which at least 70,000 new jobs can be delivered through Local Plans;
- support employment growth in Key Urban Centres and Major Growth Areas;
- monitor delivery of employment land and ensure an appropriate supply of land in line with the SEP ambitions; and
- continue to work collaboratively to achieve the economic ambitions of the SEP.
The SCR authorities also agree that:

- each authority plans to meet its own housing need within its respective administrative boundary;
- housing requirements in Local Plans deliver the growth ambitions of the current SCR SEP; and
- housing delivery is monitored on an annual basis to ensure that housing growth meets identified LHN and supports the economic aspirations of the SEP.

The Borough is recognised as a sub-regional employment centre providing jobs for local residents and residents from surrounding areas. The Council’s economic growth strategy for an employment land requirement of 44 hectares as set out in Policy LP1 is based on jobs growth of 4,200 jobs which is slightly below Chesterfield’s apportionment of 4,900 jobs as set out in the Draft SCR SoCG.

Conversely the housing requirement of 265 dwellings per annum exceeds the OAHN baseline job growth (1,700 jobs) scenario of 251 dwellings per annum but does not align housing growth with the jobs-led (4,200 jobs) scenario (see Updated OAN Report Table 31). If the Council is seeking to maintain and even strengthen its sub regional employment role (see para 2.5 Employment Requirement 2018 – 2033 Paper) then the missed opportunity for more housing growth should not harm economic growth ambitions. As set out in the 2019 NPPF in achieving sustainable development the overarching economic and social objectives should be pursued in mutually supportive ways (para 8). The positive and proactive encouragement of sustainable economic growth should address potential barriers to investment such as inadequate housing (paras 81a & 81c). The Chesterfield Local Plan’s proposed housing requirement is inconsistent with the agreement set out in the Draft SCR SoCG by not providing enough housing to deliver the growth ambition of the SEP.

3.5 Will either the OAN or LHN provide/support a sufficient labour supply to meet the ambitious but realistic employment forecasts for the Borough? For example, the 2017 SHMA at Table 31 indicates that an OAN to sustain an economic growth scenario of 4,200 net additional jobs would require an adjusted housing need of 330 dwellings per annum. Paragraph 3.59 of the SHMA advises to use baseline economic forecasts as a minimum but points to Council’s carrying out further testing of the higher growth scenario figures. Has there been any further consideration or assessment of the higher growth scenario?

The Council wishes to pursue a growth agenda therefore neither an OAHN of 265 dwellings per annum or a LHN of 240 dwellings per annum will support a sufficient labour supply to meet employment forecasts. As set out in the Housing Topic Paper dated June 2019 the Council considers that the SHMA Jobs Baseline from Sensitivity Testing and / or the SCR Jobs-led Steady are the most appropriate scenarios to inform the housing requirement in the Chesterfield Local Plan. The Council is concerned that a more aspirational growth target to meet the ambitions of the SCR SEP make it more difficult to maintain a 5 year housing land supply (YHLS) of deliverable sites in the short
to medium term. The lack of a 5 YHLS increases the risk of approval of applications for housing on unallocated sites at planning appeal. These scenarios are summarised in the Table below:

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Average dwellings per annum</th>
<th>Average annual jobs growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs led baseline</td>
<td>283</td>
<td>93</td>
</tr>
<tr>
<td>Jobs led steady (midway point)</td>
<td>455</td>
<td>292</td>
</tr>
<tr>
<td>Jobs led aspirational (70,000 jobs SCR SEP)</td>
<td>626</td>
<td>490</td>
</tr>
<tr>
<td>Jobs led baseline (SENS 1)</td>
<td>223</td>
<td>93</td>
</tr>
<tr>
<td>Jobs led baseline (SENS 2)</td>
<td>182</td>
<td>93</td>
</tr>
</tbody>
</table>

As illustrated by the Table above the Council’s preferred scenarios are not meeting the ambitions of the SEP. It is suggested that using a range for the housing requirement may be an effective solution whereby the upper end of the range would meet the ambitions of the SEP and not jeopardise economic growth whilst the lower end of the range is used for the calculation of 5 YHLS so the Council is not penalised for supporting economic growth. It is noted that the Sustainability Appraisal also included under Option 2 the LEPs aspirational growth of 345 dwellings per annum.

3.5 Is there any compelling evidence to consider an uplift for market signals under OAN or LHN?

It is acknowledged that comparatively housing affordability in Chesterfield is below the median affordability ratio of England, East Midlands, Derbyshire and Nottinghamshire however in the last twenty years housing affordability in the Borough has worsened by more than doubling from 2.72 in 1997 to 5.75 in 2018.

3.6 If the Plan were to be modified to the lower LHN figure as a starting point for establishing housing need in the Borough would that give rise to any strategic planning issues in either the HMA or the wider Sheffield City Region? Has a lower LHN informed housing need figure been subject to sustainability appraisal as a reasonable alternative?

The use of the LHN figure as a starting point for calculating housing need is not an issue if this figure is adjusted upwards to support economic growth. The housing requirement figure for Chesterfield should be higher than the lower LHN figure.

3.7 The NPPF at paragraph 22 advises that “strategic policies should look ahead over a minimum 15 year period from adoption” (Inspector emphasis). Are there particular circumstances in Chesterfield to justify a slightly shorter plan period? Can the identified housing need be suitably
extrapolated to 2035 against the submitted evidence base for the plan (for example infrastructure, future jobs forecasts etc.)?

The current plan period to 2033 is inconsistent with 2019 NPPF (para 22). There are no particular circumstances in Chesterfield to justify a plan period of less than 15 years from adoption. Housing need should be extrapolated to 2035.

3.8 What is the start of the plan period? Is it 2014 or for housing need has it been recalibrated to start from 2018?

The start of the plan period is unclear. The HBF understands that it is 2018 but the Council should confirm.

Issue 2: Does the Plan set an appropriate housing requirement? [Policy LP1]

3.9 Is Policy LP1 clear that the housing requirement is the same as the OAN at 4,374 homes over the period 2018-2033? If so, would the housing requirement be justified, effective, positively prepared and consistent with national policy?

Policy LP1 is not clear. A housing requirement figure the same as the OAHN figure of 265 dwellings per annum is not justified because economic growth as set out in the Draft SCR SoCG is not supported. The Council’s evidence shows a disconnect between housing and economic growth.

3.10 Any there any circumstances that indicate the District’s housing requirement should be other than the submitted evidence of the Objectively Assessed Need or the latest LHN figure?

The NPPG indicates that the LHN should be considered a starting point and in certain circumstances it may be appropriate to plan for a higher housing need figure than the LHN. These circumstances include :-

- deliverable growth strategies for the area ;
- strategic infrastructure improvements which will drive an increase in locally needed homes ;
- previous assessments of housing need (such as a recently-produced SHMA) that are significantly greater than the outcome from the standard method (ID: 2a-010-20190220).

For Chesterfield :-

- the SHMA identified an OAHN of 265 dwellings per annum based on demographic led housing growth and some support for economic growth ;
- the Council is a non-constituent member of the Sheffield City Region LEP. The current SEP seeks to create 70,000 new jobs and 6,000 new businesses across the City Region (between 2015 and 2025). The
Draft SCR SoCG dated 25th June 2019 apportions 4,900 new jobs to Chesterfield and identifies A61 Corridor as a Major Growth Area. There is an in principle devolution deal worth £30m agreed in 2015; and

- following the implementation of HS2 phase 2B there will be a stop for High Speed rail services between Chesterfield and Sheffield (1 train in each direction every hour).

These circumstances support a housing requirement higher than OAHN and LHN.

3.11 References have been made to unmet housing need arising in Derbyshire Dales and Sheffield. Neither authority has made representations on the Plan requesting or identifying unmet needs that should be accommodated in the Borough. If the Plan is found sound on the basis of the SHMAs OAN, is the Housing Market Area (HMA) (North Derbyshire and Bassetlaw) appropriately defined in the terms set out at PPG paragraph 61-018-20190315?

The NPPG defines a HMA as a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work (ID 61-018-20190315).

As set out in the Draft SCR SoCG dated 25th June 2019 the SCR is a functional urban area including Chesterfield. The complexity and overlaps of the housing market geography are illustrated by Figure 2: Housing Market Areas. The proximity of major urban areas and the relative ease of commuting between them for work (as demonstrated by travel-to-work flows and journey times) demonstrate strong linkages between the different market areas and current travel to work patterns. Figure 4 shows strong links between Chesterfield and Sheffield. Although North Derbyshire & Bassetlaw can be defined as a HMA it is also intrinsically linked to the wider SCR.

Issue 3: Delivering an appropriate mix of housing including affordable forms of housing [Policy LP5]

3.14 With reference to footnote 46 of the NPPF and the PPG sections regarding housing for older and disabled people and housing optional technical standards, would the requirement for accessible, adaptable and wheelchair user dwellings in Policy LP5 be justified, viable and accord with national policy? Would Policy LP5 contain sufficient flexibility in its requirement for accessible, adaptable and wheelchair user dwellings in the context of PPG Paragraph: 008 Reference ID: 56-008-20160519, Paragraph: 009 Reference ID: 56-009-20150327 and Paragraph: 010 Reference ID: 56-010-20150327?

Under Policy LP5 on sites of 10 or more dwellings up to 25% adaptable and accessible (M4(2)) housing will be sought. All affordable dwellings should be built as adaptable and accessible homes and within this 10% of the affordable dwellings should be built as wheelchair user homes (M4(3)) subject to site suitability.
It is assumed that the requirement for up to 20% affordable housing provision and up to 25% M4(2) housing set out in Policy LP5 are not mutually exclusive. If all affordable housing should be built as M4(2) compliant homes then only the residual difference between up to 20% affordable housing and up to 25% M4(2) homes is applicable to market housing. It is also assumed that 10% of affordable dwellings built as M4(3) homes means 10% of the up to 20% total affordable housing provision. It would be helpful if the Council clarified these points of interpretation of the policy.

All new homes are built to Building Regulation Part M Category 1 (M4(1)) standards which include level approach routes, accessible front door thresholds, wider internal doorway and corridor widths, switches and sockets at accessible heights and downstairs toilet facilities usable by wheelchair users. These standards are not usually available in the older existing housing stock and benefit less able-bodied occupants. These standards are likely to be suitable for most residents.

If the Council wishes to adopt the higher optional standards for M4(2) and M4(3) then this should only be done in accordance with the 2019 NPPF (para 127f & Footnote 46). Footnote 46 states “that planning policies for housing should make use of the Government’s optional technical standards for accessible and adaptable housing where this would address an identified need for such properties”. As set out in the 2019 NPPF all policies should be underpinned by relevant and up to date evidence which should be adequate, proportionate and focussed tightly on supporting and justifying the policies concerned (para 31). The Council should gather evidence to determine whether there is a need for optional standards to justify Policy LP5. The NPPG (ID 56-005-20150327 to 56-011-20150327) sets out the evidence necessary to justify policy requirements for M4(2) and M4(3) compliant homes. The Council’s evidence should support the requirements of Policy LP5. This evidence should identify :

- the likely future need ;
- the size, location, type and quality of dwellings needed ;
- the accessibility and adaptability of the existing stock ;
- variations in needs across different housing tenures : and
- viability.

The optional higher standards should only be introduced on a “need to have” rather than a “nice to have” basis. Need is generally defined as “requiring something because it is essential or very important rather than just desirable”. The population aged 65+ in Chesterfield is increasing (see Updated OAN Report section on Disability & Older population) but if the Government had intended that evidence of an ageing population alone justified adoption of the optional standards for M4(2) and / or M4(3) then such standards would have been incorporated as mandatory in the Building Regulations which the Government has not done. The Council’s evidence set out in Ecory Report dated 2012 and Accessible & Adaptable Housing Background Report dated 2016 are somewhat out of date and much of the information provided is based on national rather than locally derived data. The Council’s latest evidence as
set out in the Housing Topic Paper provides supporting data for affordable but not market housing.

Many older people already live in the Borough and are unlikely to move home of those that do move they may not choose to live in a new dwelling. The Council’s analysis is based on adapting existing dwellings rather than newly constructed dwellings and there is no consideration of new dwellings within the total housing stock.

Any requirement for higher optional standards especially M4(3) should be thoroughly viability tested. In September 2014 during the Government’s Housing Standards Review EC Harris estimated the cost impact of M4(3) per dwelling as £15,691 for apartments and £26,816 for houses. These costs are only indicative since 2014 there will have been inflationary build cost increases. These costs (including build cost increases since 2014) should have been accounted for in the Council’s viability testing which the Housing Topic Paper indicates was not the case.

There may be a need for some new dwellings to be built to M4(2) but the Council has not justified the quantum of up to 25%. It is suggested that the reference to up to 25% M4(2) is deleted from Policy LP5.

3.15 Is the reference ‘subject to site suitability’ within Policy LP5 clear and would it ensure that the policy is effective?

A reference to site suitability is necessary in Policy LP5.

3.16 Does the evidence of need and viability submitted justify the affordable housing requirements set out in Policy LP5? Would the policy be clear and more effective by including the affordable housing requirements for each CIL zone within the policy?

Under Policy LP5 on sites of 10 or more dwellings up to 20% affordable housing will be sought by negotiation informed by the charging zones set in the Council’s Community Infrastructure Levy (CIL). Where the provision of affordable housing would adversely impact on the viability of development, the developer will be required to submit evidence demonstrating this and justifying a lower contribution or alternative tenure mix.

Policy LP5 should be modified to set out affordable housing requirements for each CIL zone in order to avoid the likelihood that viability negotiations will be routinely rather than exceptionally undertaken. Under the 2019 NPPF it is the Council’s responsibility to robustly viability test the Local Plan in order that the cumulative burden of policy requirements are set so that most development is deliverable without further viability assessment negotiations (para 57) and the deliverability of the Local Plan is not undermined (para 34). The Council’s Whole Plan Viability Assessment dated December 2018 by Bailey Venning Associates concludes with recommendations for a differentiated provision for both affordable housing provision and CIL rates in four Value Areas across the Borough. The proposed up to 20% affordable housing provision is only viable in Value Areas 3 and 4. Value Area 1 and 2 are recommended for
affordable housing provision of 0% and 10% respectively. Site-specific appraisals on former Staveley Works and Waterside strategic sites also demonstrate viability challenges.

The Council's evidence of need identifies an affordable housing net need of only 42 dwellings per annum and a surplus of 44 affordable homes by the end of the plan period (see Table 48 of Updated OAN Report). A blanket provision of up to 20% affordable housing on sites of 10 or more dwellings represents a potential over-provision against identified affordable housing needs which also justifies a change to Policy LP5 for differentiated affordable housing requirements by CIL zones.

3.17 Does Policy LP5 intend that all affordable housing it secures to be in the form of shared ownership? If so, in its current form, would the policy as written achieve this? Would such a requirement be justified and effective within the context of the wider forms of affordable housing as defined in the NPPF?

The Council should not be specifying shared ownership to the exclusion of other forms of affordable home ownership as defined in the 2019 NPPF Glossary. Policy LP5 should also be clear that 10% of affordable housing provision will be affordable home ownership as required by the 2019 NPPF (para 64).